

**NOTICES OF PROPOSED RULEMAKING**  
**Initiated After January 1, 1995**

Unless exempted by A.R.S. § 41-1995, each agency shall begin the rulemaking process by first filing a Notice of Proposed Rulemaking, containing the preamble and the full text of the rules, with the Secretary of State's Office. The Secretary of State shall publish the notice along with the Preamble and the full text in the next available issue of the *Arizona Administrative Register*.

Under the Administrative Procedure Act (A.R.S. § 41-1001) *et seq.*, an agency must allow at least 30 days to elapse after the publication of the Notice of Proposed Rulemaking in the *Register* before beginning any proceedings for adoption, amendment, or repeal of any rule. A.R.S. §§ 41-1013 and 41-1022.

**NOTICE OF PROPOSED RULEMAKING**

**TITLE 7. EDUCATION**

**CHAPTER 2. STATE BOARD OF EDUCATION**

**PREAMBLE**

1. **Sections Affected**  
R7-2-601
- Rulemaking Action**  
Amend
2. **The specific authority for the rulemaking, including both the authorizing statute (general) and the statutes the rules are implementing (specific):**  
Authorizing statute: A.R.S. § 15-203(A)  
Implementing statute: A.R.S. §§ 15-203(A)(18) and 15-534
3. **The name and address of agency personnel with whom persons may communicate regarding the rulemaking:**  
Name: Corinne L. Velasquez, Administrator  
Address: State Board of Education  
1535 West Jefferson, Room 418  
Phoenix, Arizona 85007  
Telephone: (602) 542-5057  
Fax: (602) 542-3046
4. **An explanation of the rule, including the agency's reasons for initiating the rule:**  
R7-2-601 sets forth the general provisions for issuance of a certificate. The proposed amendment will address the issue of criminal offenses and convictions that will be reviewed by the State Board of Education in the certification application process. The amendment will also address a provision in the rule which states that applicants will not be considered for certification if the offense has occurred less than 6 years prior to the date of the Board's review.  
  
Currently the State Board of Education reviews applications for certification from all individuals who have been convicted of a misdemeanor or felony, regardless of the offense. With the interpretation and implementation of A.R.S. § 15-534, the only criminal offenses that the Board can review when considering applications for certification are those specifically listed in A.R.S. § 15-534(F). The language of R7-2-601 is amended to establish procedures for the review of only those offenses listed in A.R.S. § 15-534(F).  
  
R7-2-601 currently contains a provision that applicants will not be considered for certification if the offense has occurred less than 6 years prior to the date of the Board's review. This provision is being repealed to allow the Board to review applications for certification upon receipt on a case-by-case basis.
5. **A showing of good cause why the rule is necessary to promote a statewide interest if the rule will diminish a previous grant of authority of a political subdivision of this state:**  
Not applicable.
6. **The preliminary summary of the economic, small business, and consumer impact:**  
Review of applications for certification when an individual has been convicted of a criminal offense requires that the applicant provide court records and documentation of the arrest and conviction. In addition, the applicant is required to submit letters of recommendation and is encouraged to attend the meeting of the Professional Practices Advisory Committee and the State Board of Education where the application is being reviewed. Although not required, many times the applicant will retain legal counsel.  
  
Since the number of applicants who have been convicted of a criminal offense listed in A.R.S. § 15-524(F) is significantly lower than the number of applicants convicted of any offense, it is anticipated that the administrative costs to the Department of Educa-

*Arizona Administrative Register*  
**Notices of Proposed Rulemaking**

tion will be reduced. Any costs for the applicants which involve obtaining and providing court documents and letters of recommendation will also be eliminated for those individuals who have been convicted of an offense other than that listed in A.R.S. § 15-534(F).

**7. The name and address of agency personnel with whom persons may communicate regarding the accuracy of the economic, small business, and consumer impact statement:**

Name: Corinne L. Velasquez  
Address: State Board of Education  
1535 West Jefferson, Room 418  
Phoenix, Arizona 85007  
Telephone: (602) 542-5057  
Fax: (602) 542-3046

**8. The time, place, and nature of the proceedings for the adoption, amendment, or repeal of the rule; or, if no proceeding is scheduled, where, when, and how persons may request an oral proceeding on the proposed rule:**

Oral proceedings on the proposed amendment will be held as follows:

Date: March 25, 1996  
Time: 1 p.m.  
Location: Department of Education  
1535 West Jefferson, Room 417  
Phoenix, Arizona 85007

Written comments may be submitted on or before 5 p.m., March 4, 1996, to the person listed above.

**9. Any other matters prescribed by statute that are applicable to the specific agency or to any specific rule or class of rules:**

Not applicable.

**10. Incorporations by reference and their location in the rules:**

Not applicable.

**11. The full text of the rules follows:**

**TITLE 7. EDUCATION**

**CHAPTER 2. STATE BOARD OF EDUCATION**

**ARTICLE 6. CERTIFICATION**

Section  
R7-2-601. General Certification Provisions

**ARTICLE 6. CERTIFICATION**

**R7-2-601. General Certification Provisions**

- A. No change.
- B. No change.
- C. No change.
- D. No change.
- E. No change.
- F. No change.
- G. No change.
- H. No change.
- I. No change.
- J. No change.
- K. No change.
- L. No change.
- M. No change.
- N. No change.
- O. No change.
- P. No change.
- Q. No change.
- R. No change.
- S. No change.
- T. No change.
- U. No change.

V. Conviction of criminal offenses. Applicants shall certify on forms that are provided by the Department of Education and notarized whether they are awaiting trial or have ever been convicted of or admitted, in open court or pursuant to a plea agreement, committing any felony offense or offense listed in A.R.S. § 15-534(F). Felony offenses other than those listed in A.R.S. § 15-534(F) are subject to the review process and shall be reviewed in accordance with subsection (V)(2). Applicants for certification shall not be required to disclose information regarding misdemeanor offenses other than those listed in A.R.S. § 15-534(F).

- 1. No change.
  - a. No change.
  - b. No change.
  - c. No change.
  - d. No change.
  - e. No change.
  - f. No change.
  - g. No change.
  - h. No change.
  - i. No change.
  - j. No change.
  - k. No change.
- 2. Review process. In determining whether to revoke, issue, or renew certification of a person who has been convicted of or admitted in open court or pursuant to a plea agreement committing any criminal offense listed in A.R.S. § 15-534(F) but not listed in subsection (V)(1), the Board

*Arizona Administrative Register*  
**Notices of Proposed Rulemaking**

shall consider all relevant and reliable evidence submitted on behalf of any party interested in the certification. ~~The Board shall not issue or renew such certification if the offense occurred less than 6 years prior to the date of the Board's review.~~ In reviewing the nature of the offense, the Board shall examine the date of the offense, whether

the offense involved moral turpitude, the judicial disposition of the conviction, the age of the person at the time the offense was committed, and all aggravating and mitigating circumstances of the offense. In reviewing the potential for crimes against children, the Board shall examine the criminal record of the person.

**NOTICE OF PROPOSED RULEMAKING**

**TITLE 14. PUBLIC SERVICE CORPORATIONS; CORPORATIONS AND ASSOCIATIONS; SECURITIES REGULATION**

**CHAPTER 2. CORPORATION COMMISSION  
FIXED UTILITIES**

**PREAMBLE**

**1. Sections Affected**

R14-2-1301  
R14-2-1302  
R14-2-1303  
R14-2-1304  
R14-2-1305  
R14-2-1306  
R14-2-1307  
R14-2-1308  
R14-2-1309  
R14-2-1310  
R14-2-1311

**Rulemaking Action**

New Section  
New Section  
New Section  
New Section  
New Section  
New Section  
New Section  
New Section  
New Section  
New Section  
New Section

**2. The specific authority for the rulemaking, including both the authorizing statute (general) and the statutes the rules are implementing (specific):**

Authorizing statutes: A.R.S. §§ 40-202, 40-203, 40-204, 40-250, 40-321, 40-322, 40-328, 40-329, 40-331, 40-332, 40-361, 40-365, 40-367, and the Arizona Constitution, Article 15 §§ 1, 2, 3, 4, 6, 7, and 9.

**3. The name and address of agency personnel with whom persons may communicate regarding the rulemaking:**

Name: Paul Bullis, Chief Counsel, Legal Division  
Address: Corporation Commission  
1200 West Washington  
Phoenix, Arizona 85007  
Telephone: (602) 542-3402  
Fax: (602) 542-4870

**4. An explanation of the rule, including the agency's reasons for initiating the rule:**

The proposed rules establish guidelines for interconnection arrangements in compliance with applicable rules for competitive telecommunications services set forth in R14-2-1101 through R14-2-1115. The approved rules direct that all local exchange carriers (LECs) provide appropriate interconnection arrangements with other telecommunications companies under non-discriminatory terms and conditions. The proposed rules provide the parameters for interconnection arrangements pursuant to which LECs would file tariffs. The rules include provisions covering unbundling, pricing, points of interconnection, compensation for call completion, and number portability.

**5. A showing of good cause why the rule is necessary to promote a statewide interest if the rule will diminish a previous grant of authority of a political subdivision of this state:**

Not applicable.

**6. The preliminary summary of the economic, small business, and consumer impact:**

Rules for competitive telecommunications services require that LECs enter into appropriate interconnection arrangements with other telecommunication companies at reasonable prices under non-discriminatory terms and conditions. In compliance, the proposed rules establish guidelines to facilitate such interconnection arrangements. The proposed rules will affect providers and users of telecommunications services in Arizona.

*Arizona Administrative Register*  
**Notices of Proposed Rulemaking**

7. The name and address of agency personnel with whom persons may communicate regarding the accuracy of the economic, small business, and consumer impact statement:  
Name: David Jankofsky  
Address: Corporation Commission  
1200 West Washington  
Phoenix, Arizona 85007  
Telephone: (602) 542-4251  
Fax: (602) 542-2129
8. The time, place, and nature of the proceedings for the adoption, amendment, or repeal of the rule or, if no proceeding is scheduled, where, when, and how persons may request an oral proceeding on the proposed rule:  
Date: March 21, 1996  
Time: 10 a.m.  
Location: Corporation Commission  
1200 West Washington  
Phoenix, Arizona  
Nature: Public Comment
9. Any other matters prescribed by statute that are applicable to the specific agency or to any specific rule or class of rules:  
Not applicable.
10. Incorporations by reference and their location in the rules:  
Not applicable.
11. The full text of the rules follows:

**TITLE 14: PUBLIC SERVICE CORPORATIONS; CORPORATIONS  
AND ASSOCIATIONS; SECURITIES REGULATION**

**CHAPTER 2. CORPORATION COMMISSION  
FIXED UTILITIES**

**ARTICLE 13: TELECOMMUNICATIONS INTERCON-  
NECTION AND UNBUNDLING**

Section:

- R14-2-1301. Application of Rules  
R14-2-1302. Definitions  
R14-2-1303. Points of Interconnection  
R14-2-1304. Reciprocal Compensation  
R14-2-1305. Local and Toll Rating Centers  
R14-2-1306. Access to Databases/Other Network Functions  
R14-2-1307. Unbundling  
R14-2-1308. Number Portability  
R14-2-1309. Cost Methodology  
R14-2-1310. Pricing  
R14-2-1311. Waivers

**ARTICLE 13. TELECOMMUNICATIONS INTERCONNEC-  
TION AND UNBUNDLING**

**R14-2-1301. Application of Rules**

These rules govern interconnection requirements as provided in R14-2-1112. These rules apply to the provision of local exchange services by and between local exchange carriers as those terms are defined in R14-2-1102.

**R14-2-1302. Definitions**

In this Article, unless the context otherwise requires, the following definitions shall apply:

1. "800 database" means an 800-service database that contains information on the screening and routing of 800 numbers that are in service.
2. "AIN database" means a database that is used in connection with an Advanced Intelligent Network (AIN) archi-

ture. The AIN architecture enables telecommunications service providers to introduce advanced telecommunications services.

3. "ALI" or "Automatic Location Identification" means the process of electronically identifying and displaying the name of the subscriber and address of the calling telephone number to a person answering a 911 call.
4. "Central Office Code" means the first 3 digits of a 7-digit telephone number. Central office codes are assigned to telecommunications providers by the central office code administrator in accordance with the industry's central office code assignment guidelines.
5. "Centralized Message Distribution System" or "CMDS" means the system managed by Bellcore that assists in billing 3rd-party calls. Access to CMDS requires a Bellcore client company host.
6. "Directory Assistance Database Listings" means customer name, address, and telephone number listings in the LEC directory assistance database.
7. "E911" access means the ability of a LEC to interconnect with and deliver emergency calls, and associated ANI and ALI information, where available, to the E-911 controlling office for further routing to the appropriate Public Service Answering Point.
8. "Essential facility or service" means any portion, component, or function of the network or service offered by a provider of local exchange services: that is necessary for a competitor to provide a public telecommunications service; that cannot be reasonably duplicated; and for which there is no adequate economic alternative to the competitor in terms of quality, quantity, and price.

**Arizona Administrative Register**  
**Notices of Proposed Rulemaking**

9. "Extended Area Service" or "EAS" means local (toll-free) calling provided between local exchange carrier exchanges (service areas).
10. "Incumbent Local Exchange Carrier" means any company providing service as a local exchange carrier in Arizona prior to June 23, 1995.
11. "Interconnection Services" means those features and functions of a local exchange carrier's network that enable other local exchange carriers to provide local exchange and exchange access services. Interconnection services include, but are not limited to, those services offered by local exchange carriers which have been classified by the Commission as essential services.
12. "LIDB" or "Line Information Data Base" means a data base that contains access-line information that is used by telecommunications service providers for billing validation.
13. "Local Exchange Carrier" or "LEC" means a telecommunications company that provides local exchange service as one of the telecommunications services it offers to the public.
14. "Local-number portability" means permitting customers to choose between authorized providers of local exchange services within a given geographic area without changing their telephone number and without impairment of quality, functionality, reliability, or convenience of use.
15. "Mutual traffic exchange" means the exchange of terminating local and EAS traffic between LECs such that all LECs terminate the local exchange traffic of all other LECs without explicitly charging each other for such traffic exchange.
16. "New Entrant Local Exchange Carrier" or "NELEC" means any company certificated by the Commission after June 23, 1995, as a local exchange carrier.
17. "Numbering Plan Administration" or "NPA" means a specific geographic area identified by a unique NPA code. The NPA (area code) is a 3-digit code that identifies the NPA for purposes of call routing. The NPA Administrator is the entity within an NPA that assigns central office prefixes (telephone numbers) to users in the NPA.
18. "Public Safety Answering Point" or "PSAP" means a communications facility operated on a 24-hour basis that is assigned the responsibility to receive 911 calls and, as appropriate, to dispatch public or private safety services or to extend, transfer, or relay 911 calls to the appropriate public or private safety agencies.
19. "Rate Center" means specific geographic locations from which airline mileage measurements are determined for the purpose of rating local, Extended Area Service (EAS) and toll traffic.
20. "Reciprocal Compensation" means the arrangement by which local exchange carriers compensate each other for like services used in the termination of local calls between the customers of the 2 carriers.
21. "Total Service Long Run Incremental Cost" or "TSLRIC" is as defined in R14-2-1102(17).
22. "White Pages Listings" means customer name, address, and telephone number listings in the white pages section of LEC telephone directories.
23. "Yellow Pages Listings" means customer name, address, and telephone number listings in the yellow pages section of LEC telephone directories.

**R14-2-1303. Points of Interconnection.**

- A. Incumbent LECs and NELECs shall, by mutual agreement, arrange for the points of interconnection of their respective

networks.

- B. Each company interconnecting pursuant to the provisions of this Section shall be responsible for building and maintaining its own facilities to the point of interconnection.
- C. Each company interconnecting pursuant to the provisions of this Section shall be responsible for the traffic that originates on its network up to the point of interconnection and for the terminating traffic handed off at the point of interconnection to the call's destination.
- D. Should the companies negotiating interconnection arrangements not be able to agree upon the points of interconnection, written notice to that effect shall be made to the Commission Staff by the carrier responding to the interconnection request. The notice shall contain a detailed description of the request itself and why interconnection at the point requested is not feasible.

**R14-2-1304. Reciprocal Compensation**

- A. Local and EAS traffic shall be terminated by the LECs over the interconnection facilities described in R14-2-1303 on the basis of mutual traffic exchange, for a period of 36 months from the effective date of these rules.
- B. Notwithstanding the provisions of subsection (A), compensation arrangements may be made by mutual agreement between companies.
- C. If incumbent local exchange carriers and new entrant local exchange carriers do not arrive at compensation arrangements for local call termination by mutual agreement, they shall each file tariffs proposing permanent compensation mechanisms for terminating local calls within 24 months of the effective date of these rules. However, those tariffs shall not contain usage-sensitive call termination charges.

**R14-2-1305. Local and Toll Rating Centers**

- A. The incumbent LEC's local calling areas and existing EAS boundaries will be utilized for the purpose of classifying traffic as local, EAS, or toll for purposes of intercompany compensation.
- B. All LECs will use central office codes with rate centers matching the incumbent LEC's rate centers.
- C. All LECs shall be assigned the necessary central office codes for rating purposes.
- D. Until a central office code administrator is designated by the Federal Communications Commission to replace U.S. WEST Communications, Inc., central office codes will be assigned to LECs, at no charge, in accordance with the industry's central office code assignment guidelines.
- E. No LEC may charge another LEC for changes to switch routing software necessitated by the creation, assignment, or reassignment of NPA or central office codes.

**R14-2-1306. Access to Databases and other Network Functions**

- A. Incumbent LECs are required to provide non-discriminatory access to all necessary network functions, databases, and service components required to provide competitive local exchange services. These elements include, but are not limited to, directory assistance database listings, white page listings, yellow page listings, 800 LIDB and AIN databases, CMDS hosting, Busy Line Verification and Busy Line Interrupt operator services, distribution of telephone directories, inclusion of NELEC information in the Call Guide section of the directory, and E-911.
- B. Access to additional network functions, databases, and service components may be required from time to time by order of the Commission. This provision does not preclude the incumbent LEC and NELECs from negotiating voluntary arrangements

*Arizona Administrative Register*  
**Notices of Proposed Rulemaking**

for access to additional network functions, databases, or service components so long as the contracts for the voluntary arrangements are filed with the Commission and such access is made available to all other NELECs, upon request, under non-discriminatory terms and conditions, including price.

- C. Incumbent LECs shall provide access that is at least equal in type, quality, and price to that provided to themselves, to any affiliate, from any affiliate, or to another incumbent LEC.
- D. LECs shall make available the call setup signaling resources and information necessary for setting up local and interexchange connections, including the use of signaling protocols used in the querying of data bases such as 800 and LIDB. LECs shall be prohibited from interfering with the transmission of signaling information between customers and network operators. LECs and NELECs shall have a duty to correct errors, support network management in a way that promotes network integrity, and prevent fraudulent use of a LEC's network.
- E. All LECs and NELECs shall cooperate in the development of a process to handle intercompany repair service referrals.

**R14-2-1307. Unbundling**

- A. Local exchange carriers with less than 200,000 access lines shall be exempt from the unbundling requirements in these rules. Such exemption shall expire upon the receipt of a bona fide request from a certificated local exchange carrier for an unbundled facility, or if a carrier voluntarily chooses to offer unbundled services.
- B. The local exchange carrier's network facilities or services which are determined to be essential shall be provided on terms and under conditions that are equivalent to the terms and conditions under which a local exchange carrier provides such essential facilities or services to itself in the provision of the local exchange carrier's services. The pricing of essential facilities or services shall be pursuant to R14-2-1310 on pricing.
- C. The following local exchange carrier network capabilities are classified as essential facilities or services:
  - 1. Termination of local calls.
  - 2. Termination of long distance calls.
  - 3. Interconnection with E911 and 911 services.
  - 4. Access to numbering resources.
  - 5. Dedicated channel network access connections.
  - 6. Unbundled loops.
- D. Incumbent local exchange carriers shall make essential facilities or services available for purchase and use pursuant to tariffs filed within 30 days of the effective date of these rules.
- E. The following guidelines apply when a certificated telecommunications company makes a bona fide request of a local exchange carrier to unbundle any network facility or service capability not identified in subsection (C). The request shall specify whether the network facility or service is considered by the requesting company to be essential.
  - 1. For the 12 months following the effective date of these rules, the incumbent local exchange carrier shall respond to any such request in writing within 120 days. Thereafter, the incumbent local exchange carrier shall respond to any such request in writing within 90 days.
  - 2. The response to an unbundling request shall clearly state whether the Incumbent LEC intends to provide the network facility or service on an unbundled basis and, if requested, whether it will be offered as an essential facility or service. If the Incumbent LEC does not intend to provide the requested network facility or service, the response shall state the basis for such refusal.
  - 3. If the incumbent local exchange carrier agrees to provide the network facility or service on an unbundled basis, an

appropriate tariff shall be filed with the Commission within 150 days of the bona fide request.

- 4. If the incumbent local exchange carrier asserts that unbundling the network facility or service is not technically feasible, notice to that effect shall be made to the requesting party and to the Commission.

**R14-2-1308. Number Portability**

- A. All local exchange carriers shall make local-number portability available to facilitate the ability of a customer to switch between authorized local exchange carriers within a given geographic area without changing their telephone number and without impairment of quality, functionality, reliability, or convenience of use. Implementation of local-number portability or other forms of local-number portability shall be based on a technically and economically feasible solution that meets the needs of Arizona consumers and carriers in a competitively neutral manner.
- B. An incumbent local exchange carrier serving less than 200,000 access lines will not be required to implement local-number portability solutions absent the certification and commitment by a new entrant local exchange carrier to provide service on a facilities basis in the incumbent's service territory.
- C. Until such time as local-number portability becomes available through database technology, local exchange carriers shall provide interim local-number portability through the use of existing capabilities. A local exchange carrier shall file an interim number portability tariff within 30 days of the effective date of these rules, and shall in addition comply with such other or additional requirements as may be adopted by the Commission.
- D. All telecommunication providers who terminate traffic into an exchange(s) in which the local-number portability database solution has been implemented shall utilize the database solution to ensure efficient and appropriate routing of traffic to Arizona customers.
- E. The Commission Staff shall present a permanent number portability recommendation to the Commission by January 31, 1997. In the event the Commission does not adopt rules for a permanent number portability mechanism by July 1, 1997, it shall consider implementing discount pricing for interim number portability in recognition of the fact that interim number portability provides service that is inferior to a permanent database solution. The discount would remain in effect until a permanent mechanism for number portability is adopted in rule.

**R14-2-1309. Cost Methodology**

TSLRIC is the cost standard to be employed by the incumbent local exchange carrier in conducting the cost studies that establish the underlying cost of local exchange carrier services including unbundled essential facilities and services.

**R14-2-1310. Pricing**

- A. Pricing of Basic Communication Services.
  - 1. The incumbent local exchange carrier shall provide the Commission with price floor calculations for local exchange and long distance services to ensure the avoidance of anti-competitive pricing practices.
  - 2. Whenever the incumbent local exchange carrier introduces a new local exchange service or long distance service, or proposes to change the rate for an existing local exchange service or long distance service, the local exchange carrier shall provide to the Commission information that demonstrates that the proposed rate equals or exceeds a price floor calculation for that service using an imputation test described in subsection (C).

*Arizona Administrative Register*  
**Notices of Proposed Rulemaking**

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**B. Pricing of Interconnection Services by Local Exchange Providers.**

1. Incumbent local exchange carriers shall establish the price of each essential facility or service, including access to databases and other network functions as described in Rule R14-2-1306, at a level equivalent to its TSLRIC costs.
2. Interim number portability shall be provided by the incumbent local exchange carrier at a price equal to TSLRIC. Any compensation which would otherwise have been received had a local or EAS call to a forwarded number been terminated directly to a customer's chosen carrier, should be passed through from the carrier from whose network the forwarded number is assigned, to the customer's chosen carrier to whose network the number is forwarded.

**C. Imputation.**

1. An incumbent local exchange carrier shall recover in the retail price of each telecommunications service offered by the company the TSLRIC of all non-essential, and the imputed prices of all essential, services, facilities, components, functions or capabilities that are utilized to provi-

sion such telecommunications service, whether such service is offered pursuant to tariff or private contract.

2. The imputation requirements of this section shall be applied in a manner that will permit a carrier providing a service to a customer that is or that becomes eligible for universal service support by order of the Commission to provide such retail service at a price that is net of any Commission-ordered universal service support funding pursuant to the provisions of the Arizona Universal Service Fund rules.

**R14-2-1311. Waivers.**

The Commission may consider variations or exemptions from the terms or requirements of any of the rules included herein (14 A.A.C. 2, Article 13) upon application of an affected party. The application must set forth the reasons why the public interest will be served by the variation or exemption from the Commission rules and regulations. Any variation or exemption granted shall require an order of the Commission. Where a conflict exists between these rules and an approved tariff or order of the Commission, the provisions of the approved tariff or order of the Commission shall apply.